

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6045-04  
Bill No.: SCS for HCS for HB Nos. 1861 & 1864  
Subject: Public Assistance; Social Services Department  
Type: Original  
Date: May 2, 2014

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Bill Summary: This proposal modifies provisions relating to public assistance.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
General Revenue	Could be less than \$280,653 to (Greater than \$2,579,847)	Could be less than \$336,184 to (Greater than \$2,528,816)	Could be less than \$336,184 to (Greater than \$2,528,816)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>Could be less than \$280,653 to (Greater than \$2,579,847)</b>	<b>Could be less than \$336,184 to (Greater than \$2,528,816)</b>	<b>Could be less than \$336,184 to (Greater than \$2,528,816)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Various Other State Funds	Unknown, greater than \$750,936	Unknown, greater than \$901,123	Unknown, greater than \$901,123
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Unknown, greater than \$750,936</b>	<b>Unknown, greater than \$901,123</b>	<b>Unknown, greater than \$901,123</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 16 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Federal	(Unknown, greater than \$45,342)	(Unknown, greater than \$6,300)	(Unknown, greater than \$6,300)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Unknown, greater than \$45,342)</b>	<b>(Unknown, greater than \$6,300)</b>	<b>(Unknown, greater than \$6,300)</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§208.018 - SNAP Pilot Project**

Officials from the **Department of Social Services (DSS) - Family Support Division (FSD)** state the use of food stamp benefits at farmer's markets is currently supported by the federal government and Missouri follows that policy. Establishing a pilot program within the DSS is subject to appropriations in this legislation. The food stamp program is entirely federally funded. This legislation proposes a dollar-for-dollar match with SNAP benefits for every SNAP dollar spent in an amount up to ten dollars per week.

Farmers' markets are not uniquely identifiable in the Fidelity Information Services (FIS) ebtEDGE system, all retailers are the same. FIS cannot identify what the cardholder bought at the farmers market. Location and amount are captured in the EBT system, but there is no mechanism to capture individual items purchased. Receipts would need to be submitted from each participant. State staff would review the receipts and determine the dollar match. Once approved, the FSD would notify FIS. To automatically trigger a match, FIS would need funding up front.

FIS will have to program to identify the authorized markets, monitor the transactions at those specific markets, and determine the amount of funds the cardholders should receive as a reimbursement, move the funds to the cardholder, and collect that amount from the state. In addition, system updates would be needed to add a new fund code to accept the state dollar-for-dollar match.

The FSD anticipates additional costs associated with FIS, similar to the Summer Electronic Benefit Transfer for Children (SEBTC) program. Initial start up costs to do the SEBTC program were \$34,785. Benefit authorizations would need to be manually entered through the ebtEdge (administrative terminal) system by FSD staff during the pilot program. If fully implemented, batch processes to transmit to Missouri's EBT contractor, FIS, will need to be created by the Family Assistance Management Information System (FAMIS) very similar to what is used today for Food Stamps (SNAP) and Temporary Assistance (TA).

The greatest populated urban area in Missouri has 56,664 households receiving food stamps. The smallest populated rural area has 97 households receiving food stamps. Using the assumption that this program would run for 20 weeks at ten dollars per week for each household, each household would get an additional \$200 in benefits to use at the farmers market. If even 25% of these populated areas take advantage of the pilot program the FSD would need

ASSUMPTION (continued)

approximately \$2.8 million in appropriations [(25% x 56,664 urban households = 14,166 participating urban households) + (25% x 97 rural households = 24 rural households, rounded down) = 14,190 households x \$200 extra benefits/year = \$2,838,000].

In the 6045-03 version FSD did not include any staff to manage this new program; however, after further review, the FSD would need additional staff, but feels the need could be met with temporary staff hired through the Statewide Professional Service Contract for Temporary Personnel. The FSD anticipates additional costs for temporary full-time staff at the rate of 1 temporary clerical staff for every 150 participants to determine the individual is an active Food Stamp participant, receive the receipts, determine if the items purchased qualify for the match, determine the dollar amount of qualifying purchases, authorize the match payment, and inform participants of any denied payments. The FSD also has a need for 1 staff at the level of an Executive I or above to oversee the program. The FSD anticipates these staff will work 20 weeks at 40 hours per week from May through September. Through the Statewide Contract, the average hourly rate for an Executive I is \$14.85/hour and the average hourly rate for an Office Support Assistant (OSA) is \$9.90. Using the same methodology above, if even 25% of these populated areas take advantage of the pilot program, the FSD would need \$11,880 for the Exec 1 (40 hours X 20 weeks X \$14.85 = \$11,880) and \$752,400 for the OSAs [(14,190 households/ 150 households per OSA = 95 OSAs (rounded up)) X 40 hours/week X 20 weeks X \$9.90/hour = \$752,400]; total temporary staff cost = \$764,280 (\$11,880 Exec 1 + \$752,400 OSA).

Therefore, the cost to the FSD for section 208.018 is unknown, but greater than \$2,838,000 million annually.

**Oversight** notes from discussions with DSS staff, that FSD assumed there is approximately a 20-week growing season in Missouri each year in which farmers' markets will be open and recipients may purchase fresh fruits and vegetables.

**Oversight** notes the provisions of the proposal are subject to appropriations. Therefore, pilot project costs will be ranged, \$0 to Unknown, greater than \$2,838,000.

§208.024 - TANF and SNAP Transactions

Officials from the **DSS-FSD** state subsection 1 states that Electronic Benefit Transaction (EBT) cards will not be used to purchase alcoholic beverages, lottery tickets or tobacco products. It would also prohibit use of an EBT card at any liquor store, casino, gambling casino or gaming establishment.

ASSUMPTION (continued)

While current law and procedure is in place for Temporary Assistance for Needy Families (TANF or TA) to prohibit transactions in restricted locations, if an establishment is an authorized Food and Nutritional Services (FNS) retailer, a participant can use their food stamps to purchase FNS qualifying items. Food Stamp EBT cards do not allow the purchase of liquor, tobacco, and/or lottery tickets. However, there is no way to block ineligible TANF purchases of liquor, tobacco, and/or lottery tickets at non-restricted EBT retailers such as gas stations, grocery or convenience stores.

Federal law established restricted locations where the TA EBT card cannot be used. The FSD has established blocking of TANF EBT purchases at establishments by Merchant Category Code (MCC). FSD has created a claims process and procedures are in place if eligible TA participants make an EBT purchase in violation of section 208.024.

The FSD reasonably anticipates that there could be sanctions imposed by the United States government for not complying with federal laws regarding food stamps. These sanctions could include a disallowance of some or all of the federal Food Stamp program funding.

§208.024, subsection 2 pertains to preventing an individual, store owner or proprietor of an establishment from accepting TA funds held on an EBT card for use in any liquor stores, casinos, gambling casinos or gaming establishments, or any retail establishment which provides adult-oriented entertainment.

§208.024, subsection 3 applies to both Temporary Assistance for Needy Families (TANF) and Food Stamp (Supplemental Nutrition Assistance Program or SNAP) benefits and would require recipients of these programs to use their card in the state of Missouri at minimum once in a ninety day period.

Federal regulations provide that SNAP benefits can be used in any State by a household to purchase food at a retail food store or wholesale food concern approved under the Food and Nutrition Act of 2008 (7 CFR 274.8(b)(10)). Application of this legislation to the food stamp program would be in violation of federal regulations. The FSD anticipates that there could be sanctions imposed by the United States government for not complying with federal laws regarding food stamps. These sanctions could include a disallowance of some or all of the federal Food Stamp program funding.

13 CSR 40-2.310(1)(B) states to be eligible for Temporary Assistance, the payee and children must be Missouri residents.

ASSUMPTION (continued)

The FSD has policy in place for out-of-state visits. TA participants may visit out-of-state for up to 60 days without interruption of benefits. It is the claimant's responsibility to notify FSD of absence, temporary address, and intended time of return.

If the participant has not contacted FSD at the planned time of return, a notice of case action is sent to the last known address. If the FSD determines that a recipient is no longer a Missouri resident, all public benefits are closed. This is policy currently in place.

Reports would be needed to monitor the out of state usage for Temporary Assistance. These are provided by FIS, the current EBT contractor. FIS/eFunds estimates a one-time fee of \$2,500 to create this report for FSD.

Additional technology is available through FIS/eFunds which would provide an alert to assist FSD with identifying TANF participants with only out of state EBT transactions for more than 90 days. This technology would allow FSD to identify these individuals sooner than using a monthly report after the month has ended. However, this technology is estimated to cost \$525 per month plus \$2.50 for every alert generated. The FSD is unable to determine how many alerts would be received per month. If FSD received 3,200 alerts per month, the costs for this technology would exceed \$102,300 (3,200 alerts x \$2.50 per alert = \$8,000 monthly alert cost + \$525 monthly base cost = \$8,525/month x 12 months).

§208.024, subsection 4 provides that participants, who have not used their card within the state of Missouri within a sixty day timeframe, will get a notice that their benefits will be suspended within thirty days after the date of the notice. There will be programming and mailing costs to this section. The FSD assumes these programming costs will be included in the coding changes to suspend the TANF cash benefits. The bulk postage cost is 41 cents. The FSD is unable to determine how many households would receive a notice.

The FSD can reasonably expect a reduction of TANF spending on cash assistance as a result of this legislation. However, this reduction would not result in a savings in TANF or the general revenue maintenance of effort (MOE) funding because all TANF/MOE must be spent on one of the four purposes of the TANF program:

1. To provide assistance to needy families;
2. To end dependence of needy parents by promoting job preparation, work and marriage;
3. To prevent and reduce out-of-wedlock pregnancies; and
4. To encourage the formation and maintenance of two-parent families.

ASSUMPTION (continued)

Therefore the impact of Section 208.024 Subsection 3 and 4 to the FSD is unknown, but greater than \$107,300 (\$2,500 for the monthly report + \$2,500 for the suspension technology + \$102,300 for the alert technology) for the first year and unknown but greater than \$102,300 ongoing for the alert technology.

**Oversight** notes based on discussions with DSS staff that FSD does not currently receive any alerts from FIS for TANF recipients making out-of-state electronic benefit transfer transactions. Therefore, FSD does not have an “alert” history to support their assumption that they would receive 3,200 alerts a month. In addition, it is Oversight’s understanding that FSD is assuming they would receive an alert for every out-of-state electronic transaction, not just alerts for those TANF recipients that have made electronic transactions for 90 days exclusively out-of-state.

Therefore, Oversight assumes FSD’s costs for FY15 would be “unknown, greater than \$11,300 [\$2,500 for monthly report + \$2,500 for the suspension technology + \$6,300 base cost of technology (\$525/month X 12 months) + unknown alert costs (\$2.50 per alert)]. FY16 and FY17 costs are assumed to be “unknown, greater than \$6,300” (\$525/month technology cost = \$6,300 + \$2.50/alert cost).

Officials from the **Office of Administration (OA) - Information Technology Services Division (ITSD)/DSS** state the Family Assistance Management Information System (FAMIS) is gradually being shut down and will eventually be transitioned over to the Missouri Eligibility Determination and Enrollment System (MEDES). MEDES is a multi-year implementation and replacement of FAMIS. The cost to implement this proposal in MEDES is currently unknown.

Section 208.024.1

The FAMIS system would need to add a sanction code for TANF recipients and change one program to look for this code and an expiration date.

**Estimate:**

20 hours	Analysis
40 hours	Modify Program Module to look for new sanction code
40 hours	Modify Screen to accept new sanction code
<u>40 hours</u>	Testing
140 hours	

ASSUMPTION (continued)

Section 208.024.3

FAMIS does not track the usage of funds; this is tracked by the vendor in Wisconsin, FIS/eFunds. DSS receives a transaction file from the EBT vendor daily. This file is used for fraud investigations currently.

A new program will be written to process the transaction files to identify offenders. A new technical eligibility factor will be built in FAMIS to track the usage of funds. Analysis, Design, Testing, and Construction would take 400 hours (both the new eligibility factor, related table values, and additional new screens/processes at 200 hours per functionality and this will also depend on the business rules regarding the 'temporary suspension'. There is already an eligibility factor to verify if the participant is a Missouri resident and the system should be able to reuse it.

**Assumptions:**

- ITSD Staff will make all the changes; and,
- Current rate for ITSD staff averages \$63.04 per hour.

Total Costs: 540 hrs x \$63.04/hr = \$ 34,042 (rounded).

**Oversight** notes that FSD and OA-ITSD/DSS assume the costs of the proposal will come exclusively from federal TANF block grant monies. The TANF block grant funds are a set amount and no additional funds can be obtained. Any reductions in TANF cash assistance payments will be used for other TANF program purposes. For purposes of this fiscal note, Oversight is presenting the costs of this proposal as costs to federal funds with no reimbursement for the expenditures.

§208.027 - Administrative Hearings

Officials from the **DSS - Division of Legal Services (DLS)** state this proposal amends Section 208.027 to remove the requirement for a mandatory administrative hearing if an individual has refused to be tested or has tested positive for illegal use of controlled substances. This proposal adds a new paragraph two (2) to Section 208.027 that allows an individual to request an administrative hearing be conducted by the DSS under the provisions of chapter 536, RSMo, if an individual has refused to be tested or has tested positive for the illegal use of controlled substances.

DLS anticipates that the proposed legislation would have an unknown fiscal impact on the division. DLS anticipates a decrease in administrative hearings. However, it is not possible to estimate the decrease in the number of such hearings because at this time all such hearings are



ASSUMPTION (continued)

mandatory. It is not possible to estimate how many individuals will elect to have a hearing once the mandatory hearing requirement is removed. DLS believes that it will take approximately two hours to conduct each hearing. This will include hearing preparation, the actual hearing and the writing and reviewing of the hearing. DLS assumes that hearing officers can hold approximately 900 hearings per year. Therefore, once the number of potential hearings can be estimated it will be possible to determine the fiscal impact.

DLS assumes an "Unknown, less than \$100,000" savings, annually, as result of this proposal. The General Revenue (GR)/Federal match for these expenditures is 27%/73%.

Officials from the **DSS-FSD** state section 208.027 defines the method used by FSD to screen TANF participants for drug abuse. The screening is completed for every new applicant. Based upon the screening response, an applicant may be referred for drug testing. If the drug test is returned with a positive result or the participant does not show up for the drug test, they are given an automatic administrative hearing at that time.

This legislation removes all automated administrative hearings and requires that participants request a hearing. Since, currently, there are automated systems in place to initiate the hearing process, OA-ITSD/DSS will need to delete this coding from the programs. This can be done with existing staff and/or resources.

There is no fiscal impact to FSD for this section of the proposal.

§208.238 - Automated Eligibility Verification System

Officials from the **DSS-FSD** state FSD has a new decision item included in the current budget request relating to fraud prevention/detection technologies for contract costs of \$2,085,000 and Medicaid program savings of \$6,104,340, for a net savings of \$4,019,340. However, through the current budget process, it has not been funded.

Current technology does not allow FSD the ability to ensure individuals applying for or receiving program benefits are eligible. Current technology only indicates individuals may be eligible based on the best information available.

Technology does exist to verify and authenticate an individual's identity during the application process. Additionally, once individuals are initially determined eligible for benefit programs, periodic checks can be made for indicators that the individual may no longer be eligible for assistance. The FSD estimates this technology would cost \$2,085,000 to implement. However,

HWC:LR:OD

ASSUMPTION (continued)

FSD estimates that such technology would result in savings of \$6,104,340 because this technology would assist FSD with identifying individuals ineligible for the MO HealthNet programs. This results in an overall savings of \$4,019,340. Additional savings may be possible for other programs; however, the amount of additional savings is unknown at this time.

Due to federal rules for the Food Stamp program, the FSD would be required to request a waiver to implement this process for Food Stamp applicants. If the waiver is not approved by the federal Food and Nutrition Services, the FSD reasonably anticipates there could be sanctions imposed by the United State government if this process were implemented without an approved waiver. These sanctions could include a disallowance of some or all of the federal Food Stamp program funding.

FSD assumes OA-ITSD/DSS will include any FAMIS/MEDES programming costs for the system changes needed to implement provisions of this section in their fiscal note response.

**Oversight** assumes implementation of an automated process to ensure applicants applying for benefit programs are eligible to receive benefits could have significant additional savings to the DSS, potentially reducing the number of staff needed to investigate allegations of potential fraud and abuse by recipients and staff needed to pursue collection and restitution of claim overpayments. These potential savings may be outside the scope of this fiscal note. The potential savings are unknown.

**Oversight** assumes costs and savings for DSS-FSD for FY15 to be for 10 months. Oversight assumes FY16 and FY17 savings for the fraud detection process could exceed the amount provided by DSS-FSD.

Bill as a Whole

Officials from the **Office of Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect that additional funding would be required to meet these costs. However, it is also recognized that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

Officials from the **Department of Agriculture**, the **Department of Mental Health**, and the **Joint Commission on Administrative Rules** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE FUND</b>			
<u>Savings - DSS-DLS (§208.027)</u>			
Reduction in administrative hearing costs	Unknown, less than \$22,500	Unknown, less than \$27,000	Unknown, less than \$27,000
<u>Savings - DSS-FSD (§208.238)</u>			
Reduction in program benefit payments, staff, and other expenses	Unknown, greater than \$1,126,403	Unknown, greater than \$1,351,684	Unknown, greater than \$1,351,684
<u>Costs - DSS-FSD (§208.018)</u>			
Pilot project costs	\$0 to (Unknown, greater than \$2,838,000)	\$0 to (Unknown, greater than \$2,838,000)	\$0 to (Unknown, greater than \$2,838,000)
<u>Costs - DSS-FSD (§208.238)</u>			
Contract costs for fraud detection	(Unknown, greater than \$868,250)	(Unknown, could exceed \$1,042,500)	(Unknown, could exceed \$1,042,500)
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>			
	<u>Could be less than \$280,653 to (Greater than \$2,579,847)</u>	<u>Could be less than \$336,184 to (Greater than \$2,528,816)</u>	<u>Could be less than \$336,184 to (Greater than \$2,528,816)</u>

FISCAL IMPACT - State Government

FY 2015  
 (10 Mo.)

FY 2016

FY 2017

**OTHER STATE FUNDS (various)**

Savings - DSS-FSD (§208.238)

Reduction in program benefit payments,  
 staff, and other expenses

Unknown,  
greater than  
\$750,936

Unknown,  
greater than  
\$901,123

Unknown,  
greater than  
\$901,123

**ESTIMATED NET EFFECT ON  
 OTHER STATE FUNDS**

Unknown,  
greater than  
\$750,936

Unknown,  
greater than  
\$901,123

Unknown,  
greater than  
\$901,123

**FEDERAL FUNDS**

Income - DSS-FSD (§208.238)

Program reimbursements for fraud  
 detection contract

Unknown,  
 greater than  
 \$868,250

Unknown, could  
 exceed  
 \$1,042,500

Unknown, could  
 exceed  
 \$1,042,500

Savings - DSS-DLS (§208.027)

Reduction in administrative hearing  
 costs

Unknown, less  
 than \$60,833

Unknown, less  
 than \$73,000

Unknown, less  
 than \$73,000

Savings - DSS-FSD (§208.238)

Reduction in program benefit payments,  
 staff, and other expenses

Unknown,  
greater than  
\$3,209,611

Unknown,  
greater than  
\$3,851,533

Unknown,  
greater than  
\$3,851,533

Total All Income and Savings

Unknown,  
greater than  
\$4,077,861

Unknown,  
greater than  
\$4,894,033

Unknown,  
greater than  
\$4,894,033

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>FEDERAL FUNDS (cont.)</b>			
<u>Costs - DSS-FSD (§208.024)</u>			
Contract modification, report, and alert notification costs	(Unknown, greater than \$11,300)	(Unknown, greater than \$6,300)	(Unknown, greater than \$6,300)
<u>Costs - OA-ITSD/DSS (§208.024)</u>			
Computer modification and update costs	(\$34,042)	\$0	\$0
<u>Costs - DSS-FSD (§208.238)</u>			
Fraud detection contract costs	(Unknown, greater than \$868,250)	(Unknown, could exceed \$1,042,500)	(Unknown, could exceed \$1,042,500)
Total <u>All Costs</u>	(Unknown, greater than \$913,592)	(Unknown, greater than \$1,048,800)	(Unknown, greater than \$1,048,800)
<u>Loss - DSS-DLS (§208.027)</u>			
Reduction in reimbursements for administrative hearing costs	(Unknown, less than \$60,833)	(Unknown, less than \$73,000)	(Unknown, less than \$73,000)
<u>Loss - DSS-FSD (§208.238)</u>			
Reduction in reimbursements for program benefit payments, staff, and other expenses	(Unknown, greater than \$3,209,611)	(Unknown, greater than \$3,851,533)	(Unknown, greater than \$3,851,533)
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b>(Unknown, greater than \$45,342)</b>	<b>(Unknown, greater than \$6,300)</b>	<b>(Unknown, greater than \$6,300)</b>

FISCAL IMPACT - Local Government

FY 2015  
(10 Mo.)

FY 2016

FY 2017

\$0

\$0

\$0

FISCAL IMPACT - Small Business

§208.018 - This proposal could have a positive fiscal impact on small business farmers and farmers' markets.

§208.238 - This proposal could impact a wide variety of small businesses that provide goods and services to public assistance recipients if those recipients are deemed to be ineligible for public assistance before they receive benefits rather than after they receive benefits. It is assumed this proposal will have a negative impact on small businesses.

FISCAL DESCRIPTION

SNAP FARMERS' MARKETS PILOT PROJECT (Section 208.010)

Subject to appropriations, this proposal requires the Department of Social Services to establish a pilot program for the purpose of providing Supplemental Nutrition Assistance Program (SNAP) participants with access and the ability to afford fresh food when purchasing fresh food at farmers' markets. There shall be pilot programs in at least one rural and one urban area.

Under the pilot program, such participants shall be able to purchase fresh fruit, vegetables, meat, fish, poultry, eggs, and honey with SNAP benefits with an electronic benefit transfer (EBT) card and receive a dollar-for-dollar match for every SNAP dollar spent at a participating farmer's market or vending agricultural zone in an amount up to ten dollars per week whenever the participant purchases fresh food with an EBT card.

In addition, purchases of approved fresh food by SNAP participants under this proposal shall automatically trigger matching funds reimbursement into the vendor accounts by the Department.

This program shall sunset on August 28, 2020.

EBT USE BY TANF AND SNAP RECIPIENTS IN CERTAIN ESTABLISHMENTS (Section 208.024.1 AND 2)

This proposal amends the prohibition on the use of Temporary Assistance for Needy Families (TANF) benefits on EBT cards in specified establishments to prohibit EBT use at any place for the purchase of alcoholic beverages, lottery tickets, or tobacco products or for any item the

### FISCAL DESCRIPTION (continued)

Department of Social Services determines by rule is primarily marketed for or used by adults 18 or older and is not in the best interests of the child or household is prohibited. Owners or proprietors of specified businesses are prohibited from adopting any policy that encourages, permits, or acquiesces in its employees knowingly accepting EBT cards for prohibited purchases. This provision shall also include SNAP benefits.

### OUT-OF-STATE USE OF EBT CARDS (Section 208.3 and 4)

This proposal also requires recipients of TANF and SNAP benefits who do not make at least one transaction in the state during a 90 day period to have his or her benefit payments to the EBT account temporarily suspended, pending an investigation by the Department of Social Services to determine if he or she no longer is a Missouri resident. If the department finds that the recipient is no longer a Missouri resident, it shall close the recipient's benefits. To ensure that benefits are not erroneously closed, a recipient shall notify the department of the reasons why he or she cannot be within the state for more than 90 days. A recipient who does not make an EBT transaction within the state for 60 days shall be given notice of the possibility of suspension of funds.

### DRUG TESTING OF TANF RECIPIENTS (Section 208.027)

This proposal repeals the provision requiring an automatic administrative hearing after an applicant or recipient of temporary assistance for needy families benefits tests positive for a controlled substance or refused to submit to a test. The applicant may request a administrative hearing, and shall receive such hearing upon request.

### AUTOMATIC ELIGIBILITY VERIFICATION PROCESS FOR BENEFIT PROGRAMS (Section 208.238)


Under this proposal, the Department of Social Services is required to implement an automated process to ensure an applicant is eligible to apply for a public assistance benefit program. The automated process shall be designed to periodically review any current beneficiary to ensure he or she is still eligible for any benefit he or she is receiving. The system shall check applicant and recipient information against multiple sources of information through an automated process.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture  
Department of Mental Health  
Department of Social Services -  
    Family Support Division  
    Division of Legal Services  
Joint Commission on Administrative Rules  
Office of Administration -  
    Information Technology Services Division/DSS  
Office of Secretary of State

Mickey Wilson, CPA  
Director  
May 2, 2014



Ross Strobe  
Assistant Director  
May 2, 2014